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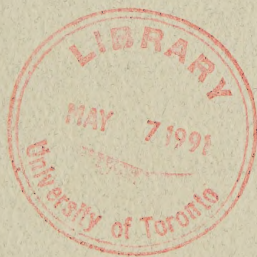
Government
Publication




HIGHLIGHTS

1991 ONTARIO BUDGET

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Highlights 1991 Ontario Budget

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Treasurer of Ontario and
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1991 Ontario Budget Highlights

The 1991 Budget supports employment and economic growth at a time of recession and prepares Ontario for recovery. It sets the foundation of a new economic strategy which has sustainable prosperity as its central goal and fairness as its guiding principle.

This strategy is based on social partnerships and proposes a leadership role for Government in creating the conditions which will allow labour, business and communities to come together to find the solutions that work best for Ontario.

The Government is committed to fighting the recession, rather than this year's Budget deficit. However, as the economy recovers, its medium-term fiscal plan sets the Province on a course to bring the deficit down significantly through effective fiscal management of the public sector.

This Budget:

- provides the economic stimulus to create 70,000 jobs;
- cuts taxes for families on low incomes by \$50 million on a full-year basis – the largest enrichment in the history of the Ontario Tax Reduction program;
- makes a major investment in affordable housing – close to 35,000 units will be under development this year and another 10,000 units are announced;
- more than doubles support for municipal programs for waste diversion through the environmental 3Rs – Reduce, Reuse and Recycle;
- commits \$215 million on a full-year basis for reform of the social assistance system;
- commits \$175 million for the Employee Wage Protection Program;
- addresses the shortage of investment capital for technology and innovation and moves ahead with important reforms to Ontario's colleges of applied arts and technology;
- provides up to \$57 million in loans and loan guarantees to viable small and medium-sized manufacturing firms hard-hit by recession;

- invests \$4.3 billion in capital expenditures in 1991-92 for essential public facilities such as schools, hospitals and transit systems; in addition, \$300 million in capital funding for schools is committed for 1994-95;
- addresses the need for greater energy efficiency through expanded conservation and efficiency initiatives, including a two-phase increase in gasoline tax and changes in the gas guzzler tax rates on vehicles;
- commits almost \$90 million for assistance to farmers;
- addresses the special needs of aboriginal peoples and the North;
- provides \$125 million to assist with pay equity adjustments for women working in the broad public sector;
- increases funding by 33 per cent for programs to prevent violence against women;
- imposes selective tax increases, including raising the personal income surtax rate on earners with income over \$84,000;
- calls on the Fair Tax Commission to accelerate its review of a minimum corporate tax and a land speculation tax;
- establishes a Treasury Board with responsibility to implement the Government's plan for effective fiscal management through evaluation and review of programs;
- introduces a strategy for effective management of the health care system and increases the tax on tobacco;
- promises a Budget process which involves more public participation in the future.

1991 Budget Summary

Fiscal Summary

(\$ Millions)

	Interim 1990-91	Budget Plan 1991-92	Per Cent Change
Operating Fund			
Revenue	43,470	43,035	(1.0)
Expenditure	43,315	48,471	11.9
Surplus (Deficit)	155	(5,436)	-
Capital Fund			
Revenue	-	-	-
Expenditure	3,200	4,290	34.1
Deficit	(3,200)	(4,290)	-
Consolidated Budget			
Revenue	43,470	43,035	(1.0)
Expenditure	46,515	52,761	13.4
Deficit	(3,045)	(9,726)	-

Economic Summary

(\$ Billions)

	1990	1991	Per Cent Change
Gross Domestic Product			
Nominal	281	283	0.6
Real (1986 Base)	231	223	-3.3
Employment (000s)	4,937	4,753	-3.7
Personal Income	246	253	2.8

Introduction

Ontario must have a new economic vision to help us move forward into the next century.

We took office in the midst of the most severe recession Ontario has experienced in the last 50 years. This recession is unlike economic cycles of the past. It is more serious because of the economic restructuring that is altering many traditional assumptions about the nature of growth and competition.

We believe that government can and should be active in supporting positive economic change and in ensuring that the costs of adjustment are shared fairly. In this Budget, we are putting in place the foundation of a new economic strategy – a strategy which has sustainable prosperity as its central goal, and fairness as its guiding principle.

A prosperous and sustainable economy provides secure, well-paid jobs at high levels of employment. It is an economy where the quality, not just the quantity, of economic growth is important. Economic growth must be both environmentally and socially sustainable, and all Ontarians must share fairly in prosperity.

Our economic strategy is based on social partnerships. Ontario's ability to increase productivity, adopt advanced technologies and managerial practices, enhance workers' skills and invest in emerging businesses depends on developing new working relationships.

Government has a leadership role to play in creating the conditions which will allow labour, business and communities to work out cooperative responses to economic change.

To support our economic strategy, we are committed to managing the public sector in ways that help meet our social and economic priorities through effective fiscal management.

Economic Outlook

The Ontario economy has been in recession for a year. Job losses to date have already surpassed the levels in every recession since the Second World War. A modest recovery is expected to begin later this year, with a resumption of growth in consumer spending and housing activity. However, we forecast that real output will decline by 3.3 per cent in 1991 and the unemployment rate will average 10.0 per cent.

Over the next three years, we are forecasting that real growth in Ontario will average 3.7 per cent annually. Inflation is forecast to remain below 4.0 per cent throughout this period. The unemployment rate, however, is only expected to decline to 7.8 per cent by 1994. The jobless outlook is unacceptable to this Government and we are committed to pursuing policies to fight unemployment.

Fighting the Recession

In 1991-92, Provincial expenditures are projected to be \$52.8 billion, an increase of 13.4 per cent over last year. Revenues are expected to be \$43.0 billion, which is actually \$435 million less than last year. The deficit in our combined capital and operating accounts in this fiscal year is estimated to be \$9.7 billion, up from \$3.0 billion last year.

The Government is convinced that allowing the deficit to rise to this level this year is not only justifiable, it is the most responsible choice we could make, given the economic and fiscal conditions we inherited as a new government.

The recession is causing tremendous hardship for people and families in communities across the province. Ontario has been the hardest hit of any province during this downturn.

The Government of Canada has worsened the recession with its monetary policies and has unilaterally cut back on its commitments to fund such vital programs as social assistance, health and post-secondary education. As a result of measures introduced in 1990 and further extended this year, these federal transfers to Ontario in 1991-92 are projected to be \$1.6 billion below previous commitments.

It is important to understand that we had a choice to make this year – to fight the deficit or fight the recession. We are proud to be fighting the recession.

This Budget provides direct employment to thousands of people through the \$700 million Anti-Recession Program announced last December.

It also provides direct support to people who have lost their jobs. The Minister of Labour has introduced legislation to establish the Employee Wage Protection Program. The Government will commit \$175 million in 1991-92 to pay claims retroactive to October 1, 1990. A \$32.5 million labour adjustment initiative will help workers re-enter the job market and improve their skills.

This is the most aggressive effort in all of Canada to fight the recession.

This year, we are determined to alleviate some of the distressing human costs of recession and to prepare Ontario for recovery. By running a deficit in 1991-92 that is \$6.7 billion higher than last year, we are providing stimulus to the economy and creating 70,000 jobs.

Towards Sustainable Prosperity

Increasing globalization of corporations, the emergence of trading blocs like the European Community, and the spread of new technologies are changing our economy and way of life.

On the plant floor and in the office, the way we work is changing, causing demand for new skills and new approaches to industrial relations. Management, labour and government must direct their efforts towards changes that will encourage productivity growth based on high-wage, high-value-added products and services.

Sustainable prosperity can only be achieved if everybody believes that they will be full participants in economic and social change and will benefit from it. People who are paid fairly, who have a sense of economic security and who feel they are respected partners in the process of change are better able to make a contribution to that process.

Governments have an important role to play in creating an environment of social and economic confidence. For

example, our health care system ensures that no one is forced into bankruptcy because of an illness in the family; our social assistance system provides a safety net for people who are unable to work or find a job. We must provide that same sense of confidence and security in our economy.

Over the coming year, we will be moving on a number of fronts to secure and create well-paid jobs.

- We will explore ways to increase access to the financial capital needed for future investment in jobs. We want to channel the capital resources of Ontario to finance restructuring and promote regional development.
- We will make a major commitment to maintain and improve the infrastructure of Ontario with increased capital spending. Sound infrastructure creates a healthy climate for jobs and prosperity.
- We will pursue new approaches to education and training that will encourage workforce flexibility. Ontario's jobs depend on a constant renewal of skills and access to training.
- We will take further action to reduce economic disparities and make sure that the costs of economic adjustment are not borne by those least able to shoulder the burden.

A Skilled and Adaptable Labour Force

To move towards an economy in which workers and businesses are skilled and flexible in effecting change will require new approaches to training, industrial relations and income security.

We believe that workers will accept and support economic change if they can be sure that their statutory rights will be protected and that they will have opportunities for training that will enable them to share the benefits of new economic circumstances. The success of an active labour market strategy will depend upon the direct participation of labour, business and government in new partnerships.

Education and Training for Jobs

Education, in all its dimensions, must be at the centre of our efforts to achieve sustainable prosperity.

Innovation, made possible through education, will generate greater productivity. Our standard of living depends on it.

Currently, Ontario spends almost \$10 billion a year on a broad range of public education services. This Government intends to build on the strengths of the education system by pursuing a vision of lifelong learning whereby a factory or home worker, high school dropout or business executive can continue to learn throughout their lives and be recognized for their achievements.

As a first step, the Government is moving ahead with important reforms to our system of colleges of applied arts and technology. We will commit \$3 million this year to begin implementation of three of the key recommendations of the recent Vision 2000 report on a renewed mandate for the college system.

Environmental Integrity

One of the fundamental premises of sustainable prosperity is environmental integrity. A clean and healthy environment is essential to the standard of living we want to preserve and enhance. We have learned the hard way that we are inhabitants of an ecologically fragile planet.

Managing Our Resources

We must all learn to live by the environmental 3Rs – Reduce, Reuse and Recycle. This year, the Government is providing an additional \$28 million to municipalities to help them establish enhanced programs to meet the Provincial targets for waste diversion of at least 25 per cent by 1992 and 50 per cent by the year 2000. We are more than doubling Provincial support for municipal 3Rs programs over last year.

Energy Efficiency

Using energy wisely is critical to our future prosperity. The Government is giving priority to energy efficiency and conservation to protect the environment and to reduce the province's reliance on nuclear power. That is why we have directed Ontario Hydro to increase its conservation efforts, partly by diverting \$240 million it had planned to spend on future nuclear studies. Hydro will spend more than \$3.0 billion on energy conservation efforts in the 1990s.

The Ministry of Energy's activities aimed at energy efficiency will be increased by almost 75 per cent in 1991-92 through the allocation of an additional \$10 million in funding.

To promote greater fuel conservation, we are increasing the rates of tax on gasoline and diesel fuel immediately by 1.7 cents per litre and by an additional 1.7 cents on January 1, 1992. These measures will raise an estimated \$250 million this fiscal year. We wish to be sensitive to the recession – which is why these increases are in two stages. But the message is clear: we want to encourage the efficient use of energy.

To reinforce the environmental message, there will be changes to the gas guzzler tax rates as of July 1, 1991. The current tax rates will be doubled and a greater number of fuel inefficient vehicles, including sport utility vehicles, will now be included. An additional \$30 million will be generated this fiscal year.

Supporting a More Productive Economy

Public capital expenditures contribute directly to building healthy, livable communities. Public capital projects make Ontario communities more productive and attractive to private sector investment.

The \$4.3 billion for capital expenditures in 1991-92 includes transfer payments to help meet the capital needs of hospitals, school boards, universities, colleges and municipalities, as well as direct expenditures by the Government on buildings, roads, public transit, bridges and water and sewer systems.

Provincial capital spending will support 50,000 jobs in 1991-92.

As part of our emphasis on investing in sustainable prosperity, we are proceeding with the massive "Let's Move" transit program for the Greater Toronto Area, and providing funding for the Toronto Transit Commission to improve system reliability and to purchase new subway cars. Initial funding of more than \$48 million is being provided for these initiatives in 1991-92.

Research and Innovation

Increasing investment in the development and application of new technologies is integral to achieving sustainable prosperity.

Ontario's Technology Fund will provide \$131 million for research, development and technology diffusion in 1991-92. That includes \$81 million for programs to support leading-edge research in such areas as robotics, telecommunications and biotechnology, and \$50 million for the R&D Super Allowance to provide tax incentives for private sector research and development.

The annual funding for the Innovation Ontario Corporation will be increased significantly to almost \$21 million.

Manufacturing Recovery

There are some small and medium-sized manufacturing firms in Ontario which are fundamentally viable, but which are having financial difficulties because of the recession and high interest rates. To assist such firms, the Government has initiated a Manufacturing Recovery Program. Viable small and medium-sized manufacturing firms applying in 1991-92 will be eligible to participate. We will provide up to \$57 million in financial assistance, mainly in the form of loans and loan guarantees.

Agriculture

There are few who would question that our farming community has been suffering. The Minister of Agriculture and Food has announced two programs to assist farmers. We have committed almost \$40 million in 1991-92 to the Gross Revenue Insurance Program, an income stabilization program for grain, oilseed and

horticulture producers. In addition, the Farm Interest Assistance Program will provide \$50 million in interest rate relief this year for interest costs incurred by farmers during 1990.

Culture

The Minister of Culture and Communications has announced \$15.4 million for renewal of the Ontario Film Investment Program and other film initiatives in 1991-92. In addition, this Budget provides a further \$7.5 million to the Ontario Arts Council for the support of artists and arts organizations, and an additional \$5.4 million for a publishing strategy and support for community radio which will particularly benefit aboriginal peoples and francophones.

Northern Ontario

The North has the highest unemployment rate of any region in the province. In recognition of the difficult economic conditions in the North, 30 per cent of the Anti-Recession Program has been allocated to Northern Ontario.

The Government recognizes the importance of the mining industry to the future prosperity of the North. We anticipate the signing of a new \$30 million five-year, federal-provincial minerals development agreement to enhance mining development and research.

A long-standing source of concern in the North is the high cost of gasoline. There is a significant differential between gasoline prices in Northern and Southern Ontario. In recognition of this differential, the motor vehicle registration fee for residents of Northern Ontario will be eliminated, effective May 1, 1991. This will save Northern motorists \$15 million this year.

Residents of Northern Ontario often have to travel a considerable distance to receive medical treatment or see a specialist. The Government will provide \$3.4 million over current spending to improve the Northern Health Travel Grant Program.

Greater Equity

This Government believes that all our citizens must share in the benefits of economic growth and social progress. The investment that we as taxpayers make in social equity contributes to a healthy society and a strong economy.

Social Assistance Reform

The social assistance system is a vital support to the stability and security of people and our economy. It is also an investment in Ontario's future – approximately 40 per cent of those who depend on social assistance are children.

We will commit \$215 million on a full-year basis to reform of the social assistance system.

The Advisory Group on New Social Assistance Legislation said in its recent report, Back on Track, that the momentum for reform had been lost since initial changes to the system were made in 1989.

This Government is committed to putting the reform process back on track. This \$215 million reform package is designed to provide benefits for those who are in greatest need, to help people get into the labour force, to increase fairness and accessibility and to assist municipalities with their funding responsibilities.

Fair Taxation

This Government is committed to greater equity in the tax system. To provide advice on how to make the system fairer, we have established the Fair Tax Commission. This is the first major review of Ontario's tax system in 25 years.

The Commission has been asked to accelerate its consultations on a corporate minimum tax for Ontario. This is a complex subject; however, it is our intention to move in this area to ensure that corporations reporting profits, but paying little or no income tax, pay their fair share.

We have also asked for early advice on an Ontario land speculation tax. Appropriate action should be taken soon, before speculation can again become a problem in a recovering housing market.

But the work of making our tax system fairer has already started. Today we are announcing the largest enrichment in the history of the Ontario Tax Reduction program. This program benefits people at the low end of the income scale. Effective for the 1991 tax year, the \$200 supplements now provided for each dependent child or dependant with a disability will be raised to \$350. This means that a single parent with two dependent children and who is earning \$22,500 will no longer pay any Ontario personal income tax.

This \$50 million tax cut brings to 700,000 the number of low-income taxpayers whose Ontario income tax will now be reduced or eliminated for the 1991 tax year.

In addition, we are proposing an increase in the personal income surtax rate. This is intended to make the tax system more progressive by ensuring that those at the upper end of the income scale pay a greater share. Effective July 1, 1991, the surtax rate will increase from 10 per cent to 14 per cent of Ontario income tax in excess of \$10,000. The surtax only affects taxpayers with incomes of \$84,000 or higher. This action will add \$60 million to revenues in 1991-92.

Affordable Housing

Affordable housing is a key priority of this Government. Housing is the main non-discretionary expense for families on low and moderate incomes.

The Government intends to go forward with an unprecedented level of Provincially supported housing activity in this fiscal year. By refining programs, speeding up approvals and reallocating units, we will have close to 35,000 units of cooperative and non-profit housing under development. We expect people will be moving into about 13,000 of these units this year. This activity will inject some \$1.3 billion into the construction industry in 1991-92, with associated employment of about 20,000 jobs.

In addition, we are announcing the provision of another 10,000 non-profit units, which will cost the Province approximately \$150 million in annual operating subsidies when completed.

Preventing Violence Against Women

Violence against women is a major social problem which we must work resolutely to eliminate. In this Budget, the Government significantly expands its commitment to address the issues of wife assault and sexual assault. Funding for these two programs will increase by more than 33 per cent over last year.

We are committing an additional \$12 million for new beds and enhanced services in emergency shelters and other improvements to services for women who are victims of domestic violence. Increased expenditures of more than \$8 million will significantly expand and enhance services to women and children who are victims of sexual assault.

Pay Equity

It is unfair and unacceptable to undervalue certain occupations and sectors based on systemic discrimination. The Minister of Labour has announced amendments to the *Pay Equity Act* which will allow an additional 420,000 women to benefit from pay equity.

This Government will make available \$100 million to assist our major transfer partners, including municipalities, school boards, hospitals and universities and colleges, with the cost of pay equity adjustments due in 1991-92. This funding is above and beyond what is normally provided for day-to-day operations. A further \$25 million will be provided in 1991-92 to assist other transfer agencies in meeting their pay equity obligations.

The Government's financial commitment to pay equity is not limited to this fiscal year. We will contribute almost \$1 billion annually at maturity towards pay equity adjustments in the broad public sector.

Employment Equity

Employment equity involves a comprehensive process to ensure equitable representation and to reduce systemic barriers to the recruitment, retention and promotion of under-represented groups of people. The groups designated in the Ontario Public Service program are aboriginal peoples, persons with disabilities, francophones, racial minorities and women.

This Government intends to be a model employer and to lead both the broad public sector and the private sector in achieving employment equity. We have committed \$24 million in 1991-92 to employment equity initiatives in the Ontario Public Service. This is more than double previous funding levels. The Government has also appointed a Commissioner to conduct consultations on proposed employment equity legislation.

Equity for Aboriginal Peoples

The Government of Ontario is taking tangible steps towards equity for aboriginal peoples. We will commit more than \$48 million in 1991-92 towards an improved quality of life that is long overdue for the aboriginal peoples of this land. Part of this funding will be used to help lay the groundwork for self-government and resolution of long-standing land claims through support for research and negotiations. Also included in this year's funding are \$20 million in expenditures on community infrastructure to improve living conditions in aboriginal communities through support for water and sewer systems, housing and electrical power.

Effective Fiscal Management

Fiscal Planning

This Government is acutely aware that we are responsible for the effective fiscal management of the broad Ontario public sector. We must ensure that the people of Ontario are getting the highest quality services for their tax dollars.

This Government is convinced that the only way we will achieve effective fiscal management is through a comprehensive review and evaluation of existing programs, with the participation of the people who use services and the people who provide them. We must respond to the social and economic needs of this province by making what the public sector does and how it does it more efficient and more effective.

We have made a concerted effort in this Budget to ensure that the Government does what it can to fight the recession and to prepare the economy for recovery. As the economy recovers, however, we believe it is essential to reduce the deficit significantly.

We are putting forward a three-year fiscal plan that shows the consolidated deficit declining from \$9.7 billion this year to \$7.8 billion in 1994-95.

The clear fiscal targets set out in this plan are expected to reduce the deficit as a proportion of both Gross Domestic Product and total revenue. We anticipate that by 1995 the deficit will fall from 3.4 per cent to 2.2 per cent of GDP and from 22.6 per cent to 13.7 per cent of revenue.

Our fiscal plan is also intended to stabilize the important debt servicing portion of our budget. As total debt rises, our fiscal plan shows servicing costs moving from 11.6 cents per revenue dollar to a steady 12.3 cents.

Contrast this with the situation of the federal government where about 34 cents of every revenue dollar now go to service the national debt. This Government will not let Ontario slip into that kind of fiscal trap.

The deficit is not an issue that is simply of concern to the bond markets and rating agencies. It is a concern of ordinary working people in Ontario – because they do not want an ever-increasing share of their hard-earned tax dollars going to pay the interest on a huge public debt.

By 1994-95, we plan to bring the operating portion of the deficit down from \$5.4 billion to \$3.0 billion. Looking beyond the medium-term forecast, we plan to eliminate the operating deficit within a further three years.

This fiscal plan will not be easy to implement, but it is realistic. It will allow the Government to move forward with its priorities.

Treasury Board

The Budget control system we inherited from previous administrations simply cannot do the job in the circumstances we face. We found there was no effective mechanism for examining the structure of entire programs. We are therefore establishing a Treasury Board with clear responsibility for expenditure management.

Cooperative Approaches

The task of evaluating programs and reallocating Government spending will entail redesigning programs and taking new approaches to service delivery. We will also be asking the people who work in the public service to help us meet the targets of our fiscal plan. Working in partnership, we will find the best ways to make services more responsive to needs and to reduce costs.

We have not followed the lead of some other governments which have reduced public service jobs at a time of high unemployment and have imposed arbitrary wage limits. Instead, we intend to work cooperatively with the public service unions to meet our targets in ways that support new workplace cooperation and innovation.

It is important that we look for new ways to involve Members of the Legislature and the general public, as well as our employees, in contributing to the solutions needed to address these challenges. We are committed to major change in the Budget process in this province.

Effective Management in Health Care

One of the most crucial areas requiring effective management is our health care system. This is a priority for two major reasons: because publicly funded health care is so essential to our way of life and because the costs of our health system are threatening to overwhelm all other Government expenditures.

Health care costs currently account for approximately one-third of total Provincial spending. Health expenditures have increased by an average of more than 12 per cent per year for the past 10 years.

This Government is committed to managing health care expenditures more effectively while maintaining or improving standards of care and upholding the principles of medicare, including universality and accessibility. We believe the best way to accomplish this is in partnership with health care providers. We are therefore encouraged by the tentative agreement that has been reached through negotiations with the Ontario Medical Association (OMA).

If this landmark agreement is ratified by members of the OMA next month, we will be embarking on a new era in our health care system. It will involve a constructive and cooperative relationship between the Government and the OMA. It will introduce a management system that emphasizes quality and cost-effectiveness. This system will manage payments to physicians and will not limit patient access to health services. It will allow us to plan better for the future and to allocate resources where they are most needed.

Two others aspects of the Government's overall strategy to manage our health care system more effectively involve out-of-country health services and the Ontario Drug Benefit Plan (ODB). The Province is enacting a series of modifications to current policy to ensure that payments for out-of-country health services reflect the cost of services in Ontario. Measures to manage the ODB Plan more effectively include tighter controls on reimbursement for drugs, more comprehensive guidelines for prescribing drugs and more objective evaluations in order for a new drug to gain coverage. These actions are part of our continuing efforts to manage our \$17 billion health care system better.

Responsible Revenue Management

Tax policy has a critical role to play in effective fiscal management. Central to the role of tax policy is ensuring that tax expenditures are cost-effective.

In this Budget, we are proceeding with three measures that will tighten up the tax base and contribute to better tax expenditure management:

- capping of the three-year mining tax exemption to target the incentive more effectively;
- focusing the benefits of the small business deduction on small Canadian-controlled private corporations;
- ending the insurance premiums tax exemption for insurance companies.

Together, these tax changes will generate \$70 million this fiscal year.

Responsible management also requires some changes to tax rates.

First, the capital tax on banks and loan and trust companies will increase from 0.8 per cent to 1.0 per cent,

effective midnight tonight. This is still the lowest provincial rate on banks and loan and trust companies in the country.

Second, as of midnight tonight, the tax per cigarette will be increased by 1.67 cents to 6.5 cents, with an equivalent increase on cut tobacco. It has been estimated that each year tobacco-induced diseases cause 13,000 premature deaths in Ontario. It is expected that this tax increase, when combined with the federal three cent increase, will result in a decline in tobacco consumption by Ontario smokers of close to 15 per cent. Finally, levies on all alcohol products will increase by five cents per litre effective May 27, 1991.

The total revenue impact of these tax rate changes is estimated at \$280 million this fiscal year.

Conclusion

This Budget sets out our vision of the future of this province. I want to add a few words about our vision of the future of this country.

As Premier Rae has said many times, we have a long history together as Canadians, a history that binds us in many real and intangible ways. Today, every province in Canada is facing serious economic and social challenges. We are stronger if we face them together.

Our vision of sustainable prosperity for Ontario embraces a renewed and revitalized Confederation. We believe there is an important role for national leadership to secure the Canadian economic union.

We must find a new consensus for the future. Canada must be made to work in the interests of all parts of the country and all parts of society. Ontario is prepared to play a constructive and positive role in this endeavour.

We made a choice in this Budget to fight the recession, not this year's deficit, because we believe that is the priority for the people of Ontario. We will not sacrifice the essential services that Ontarians need. We are dedicated to maintaining quality health care and education. We will invest in the future and in jobs to help strengthen our province.

We are laying the foundation for a sound recovery and working towards a more productive, equitable and sustainable economy.

Operating Expenditure
(\$ Millions)

Ministry	1989-90	Interim 1990-91	Plan 1991-92
Agriculture and Food	477	555	576
Attorney General	481	561	628
Board of Internal Economy	101	165	131
Citizenship	42	47	58
Colleges and Universities	2,626	2,858	3,062
Community and Social Services	4,955	6,338	8,142
Consumer and Commercial Relations	153	173	187
Correctional Services	469	544	581
Culture and Communications	268	285	301
Disability Issues, Office for	5	6	6
Education	5,013	5,439	6,033
Energy	26	33	44
Environment	320	376	434
Executive Offices	17	19	17
Financial Institutions	40	56	60
Francophone Affairs, Office of	4	4	4
Government Services	470	467	518
Greater Toronto Area, Office for the	2	4	3
Health	13,525	15,156	16,763
Housing	407	549	764
Industry, Trade and Technology	138	192	192
Technology Fund	72	79	81
Intergovernmental Affairs	4	5	8
Labour	138	163	363
Management Board	50	62	83
Contingency Fund	-	-	195
Municipal Affairs	955	1,000	1,057
Native Affairs Secretariat	6	6	23
Natural Resources	526	583	589
Northern Development and Mines	99	113	108
Revenue	825	873	897
Seniors' Issues, Office for	6	5	6
Skills Development	239	244	265
Solicitor General	454	536	582
Tourism and Recreation	141	152	153
Transportation	728	811	849
UTDC Guarantee	-	407	-
Treasury and Economics	30	35	45
StadCo	-	322	-
Economic Development Projects	35	35	39
Public Debt Interest	4,284	4,316	4,995
Women's Issues, Office Responsible for	17	19	25
Advance Payments:			
Education	140	56	(196)
Health	334	(334)	-
Municipal Affairs	(413)	-	-
Expenditure Savings and Constraints	-	-	(200)
Total	38,210	43,315	48,471

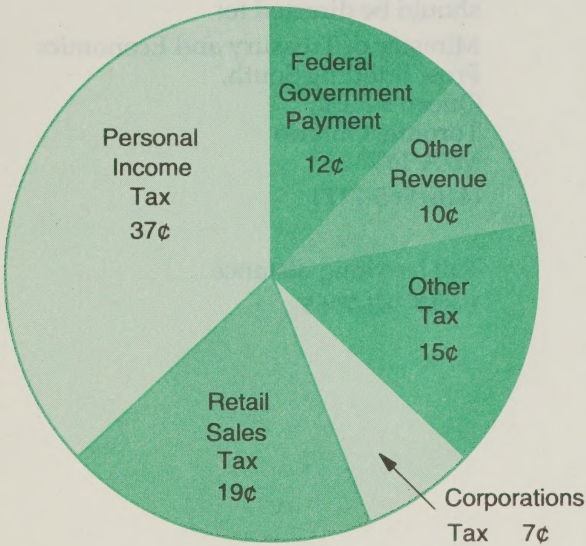
Capital Expenditure

(\$ Millions)

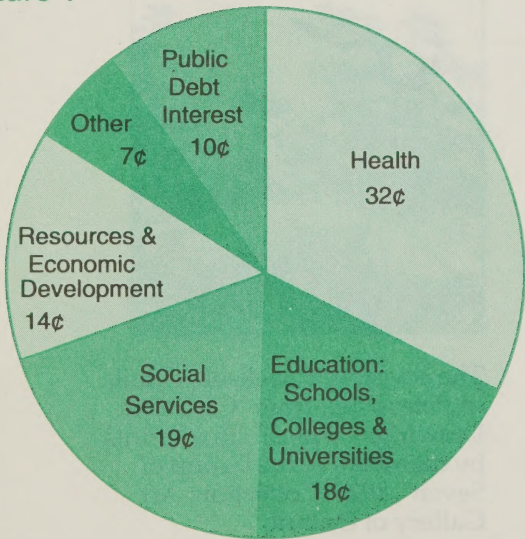
Ministry	1989-90	Interim 1990-91	Plan 1991-92
Agriculture and Food	32	23	21
Attorney General	11	4	12
Board of Internal Economy	2	-	-
Citizenship	5	8	10
Colleges and Universities	110	115	199
Community and Social Services	106	102	122
Consumer and Commercial Relations	5	-	-
Correctional Services	4	2	8
Culture and Communications	45	38	32
Disability Issues, Office for	2	2	3
Education	310	332	419
Energy	7	13	23
Environment	179	212	266
Executive Offices	-	-	-
Financial Institutions	1	-	-
Francophone Affairs, Office of	-	-	-
Government Services	202	231	322
Greater Toronto Area, Office for the	-	-	-
Health	262	194	250
Housing	115	107	133
Industry, Trade and Technology	4	3	32
Technology Fund	-	-	-
Intergovernmental Affairs	-	-	-
Labour	-	-	-
Management Board	1	-	-
Contingency Fund	-	-	-
Municipal Affairs	19	16	36
Native Affairs Secretariat	-	-	21
Natural Resources	61	84	90
Northern Development and Mines	220	244	261
Revenue	-	-	-
Seniors' Issues, Office for	2	3	3
Skills Development	1	-	-
Solicitor General	44	37	28
Tourism and Recreation	44	52	69
Transportation	1,582	1,778	2,018
Treasury and Economics	-	-	-
Economic Development Projects	16	10	12
Women's Issues, Office Responsible for	-	-	-
Advance Payments:			
Colleges & Universities	-	(110)	-
Education	-	(300)	-
Expenditure Savings and Constraints	-	-	(100)
Total	3,392	3,200	4,290

The Budget Dollar: 1991-92

Revenue:



Total Expenditure*:



* Excludes advance payments.

General enquiries about the
1991 Ontario Budget
should be directed to:

Ministry of Treasury and Economics
Frost Building South,
Queen's Park,
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(416) 965-7171

Toll free long distance
1-800-263-7965



The cover, A.Y. Jackson, detail
of *Pine Island*, from "Canadian
Drawings - a portfolio of prints
by members of the Group of
Seven", 1925. Collection: Art
Gallery of Ontario

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